What is the “file and suspend” strategy for applying for, but not yet receiving, Social Security benefits?

File and suspend is a strategy that allows the primary earner to delay and grow benefits at a guaranteed 8 percent per year while the lower-earning spouse collects every month. The primary earner can file for benefits, making the spouse eligible for the spousal benefit, and then immediately request that the retirement benefit be suspended. The person requests to receive no checks, and that triggers the 8 percent growth per year. Then years later he or she can draw Social Security benefits.

Filing and suspending also allows an individual to retroactively change his or her mind about suspending and start collecting as if he or she had not suspended. For example, if an individual files and suspends at age sixty-six and then decides at age sixty-nine that he or she should have begun collecting at age sixty-six, he or she can retroactively reverse the decision. The SSA will send the individual a lump-sum payment of the benefits he or she would have collected without the suspension and, going forward, will pay monthly benefits based on beginning collection at age sixty-six.